

SUPPORTING STATEMENT for the Paperwork Reduction Act Information Collection
Submission for Survey of the cost of complying with Bank Secrecy Act obligations
regarding Anti-Money Laundering and Countering the Financing of Terrorism

New Request
Voluntary Survey: Cost of AML/CFT Compliance

This submission is being made pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 et seq.

A. JUSTIFICATION

1. Necessity of Information Collection

The Securities and Exchange Commission (“Commission” or “SEC”) is proposing a collection of information entitled “Cost of AML/CFT Compliance Survey.” On November 21, 2025, in compliance with the Paperwork Reduction Act, the Commission published in the Federal Register a notice soliciting comment on the proposed collection of information and advising that the Commission planned to submit the proposed collection of information to the Office of Management and Budget for approval.¹

The Bank Secrecy Act (BSA), initially adopted in 1970, establishes the basic framework for anti-money laundering (AML) obligations imposed on financial institutions. Among other things, it authorizes the Secretary of the Treasury to issue regulations requiring financial institutions (including broker-dealers and mutual funds) to keep records and file reports on financial transactions that may be useful in investigating and prosecuting money laundering and other financial crimes. The USA PATRIOT Act, which was enacted by Congress in 2001, amended and strengthened the BSA. It imposed a number of AML obligations directly on broker-dealers and mutual funds, including but not limited to:

- establishing AML compliance programs;
- establishing customer identification programs (CIP);
- obtaining beneficial ownership information and customer due diligence;
- monitoring, detecting, and filing reports of suspicious activity;
- conducting due diligence on foreign correspondent accounts, including prohibitions on transactions with foreign shell banks;
- conducting due diligence on private banking accounts;
- participating in mandatory information-sharing (in response to requests by federal law enforcement); and
- complying with “special measures” imposed by the Secretary of the Treasury to address particular AML concerns.

The Financial Crimes Enforcement Network (FinCEN), a bureau within Treasury, has regulatory responsibilities for administering the BSA. FinCEN has delegated to the SEC the

¹ 90 FR 52764 (Nov. 21, 2025), <https://www.federalregister.gov/documents/2025/11/21/2025-20493/agency-information-collection-activities-proposed-collection-comment-request-request-for-a-new-omb>.

authority to examine broker-dealers and mutual funds for compliance with the BSA and its implementing regulations. 31 C.F.R. § 1010.810(b)(6). Rule 17a-8 under the Securities Exchange Act of 1934 (Exchange Act) requires broker-dealers to comply with the reporting, recordkeeping, and record retention rules adopted under the BSA. Rule 38a-1 under the Investment Company Act of 1940 requires investment companies, including mutual funds, to establish and implement compliance programs that include provisions for compliance with the BSA and rules adopted thereunder. Under Rule 38a-1, fund compliance programs include oversight over the compliance efforts of service providers through which the fund conducts its business (e.g., the fund’s investment adviser, principal underwriter, administrator, and transfer agent).

The collection of information is a voluntary survey, and it will request information on broker-dealer and mutual fund BSA AML/Countering the Financing of Terrorism (“CFT”) compliance costs and related topics. Survey question topics will include, but are not limited to:

- the total estimated direct cost in calendar year 2024 for compliance with all programs mandated by the BSA and its implementing regulations;
- which areas of the broker-dealer or mutual fund use technological resources to assist with BSA compliance;
- the approximate percentage of compliance costs attributable to the production of Suspicious Activity Reports (“SARs”);
- the approximate percentage of compliance costs attributable to OFAC or other economic sanctions authorities; and
- the direct cost, if any, of anti-financial crime activities across all business lines in calendar year 2024.

2. Purpose and Use of the Information Collection

The purpose of the collection of information is to better understand the cost of AML/CFT compliance for entities registered with the Commission that have AML/CFT obligations under the BSA. The information collection is designed to help in the assessment of the financial impact of these regulations and may inform efforts to adjust regulatory obligations and advance deregulatory proposals consistent with the executive orders of the Trump administration. The data may also support the development of deregulatory rulemakings or guidance to reduce compliance burden without compromising the effectiveness of current AML/CFT frameworks. Subject to the provisions of the Freedom of Information Act, [5 U.S.C. 552](#), and the Commission's rules thereunder ([17 CFR 200.80\(b\)\(4\)\(iii\)](#)), the Commission will not generally publish or make available information contained in any reports, summaries, analyses, letters, or memoranda arising out of this collection. As such, individual responses to the survey will not be made publicly available and will not be used for examination or enforcement purposes.

3. Consideration Given to Improved Information Technology

Respondents will not be required to use specific information technology, nor will they be prohibited from using any kind of information technology to facilitate the voluntary collection and/or preparation of the information. The survey is also designed to help assess the extent to

which respondents use technological resources, including software, to assist in complying with AML/CFT requirements.

4. Duplication

The survey would not result in or require the collection of duplicate information that is otherwise available in a similar format.

5. Effects on Small Entities

The survey will be voluntary and no entities, including small entities as defined in the Commission rules,² will be required to respond. Respondents may also choose to respond to some, but not all, of the questions in the survey. The survey does not distinguish between large and small entities.

6. Consequences of Not Conducting Collection

While not required, without responses to the collection of information, regulators would have less information available to assess the compliance burdens of AML/CFT requirements to determine if efforts to adjust regulatory obligations and advance deregulatory proposals consistent with the executive orders of the Trump administration are appropriate.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

There are no other special circumstances, and this collection is otherwise consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultations Outside the Agency

The Commission has published a notice soliciting comment on the proposed survey and associated paperwork burdens.³

9. Payment or Gift

No payment or gift is provided to respondents.

10. Confidentiality

Subject to the provisions of the Freedom of Information Act, 5 U.S.C. 552, and the Commission's rules thereunder (17 CFR 200.80(b)(4)(iii)), the Commission will not generally publish or make available information contained in any reports, summaries, analyses, letters, or memoranda arising out of this collection. As such, individual responses to the survey will not be made publicly available generally by the Commission and will not be used for examination or

² See 17 CFR 240.0-10(c) and 17 CFR 270.0-10.

³ See note 1 supra.

enforcement purposes. Survey results may be made available to other regulators to help inform efforts to adjust regulatory obligations and advance deregulatory proposals consistent with the executive orders of the Trump administration. The data may also support the development of deregulatory rulemakings or guidance to reduce compliance burden without compromising the effectiveness of current AML/CFT frameworks.

11. Sensitive Questions

The survey will not collect personally identifiable information or other information of a sensitive nature.

12. Burden of Information Collection

The proposed survey requests information on broker-dealer and mutual fund BSA AML/CFT compliance costs and related topics. As of November 21, 2025, there are 3,289 registered broker-dealers and 1,355 registered mutual funds. The survey will be voluntary, but assuming that all entities respond to the survey, there will be 4,644 respondents. The proposed survey is eight questions in length and requests qualitative and quantitative information about the respondents' costs related to AML/CFT compliance. We estimated that the hour burden for completing the survey would be eight hours, based on the estimated burdens for similar surveys for other BSA-regulated financial institutions shared by other regulators.⁴

Based on the above, we estimate that there will be a **one-time total reporting burden of 37,152 hours.**⁵ As the survey will only be shared with respondents once, we are requesting OMB's approval for only one year.

13. Costs to Respondents

We estimate that the entire burden would be borne internally by respondents and, as a result, is reflected only in item 12 of this Supporting Statement.

14. Cost to Federal Government

The Commission is in the process of revising its methodologies to estimate annualized costs to the Federal government for all its relevant collections of information. The Commission anticipates that future extensions of this collection of information will reflect the revised methodologies.

⁴ SEC Staff created a draft survey similar to the FDIC's BSA cost survey. The estimated burden for the FDIC survey was eight hours. 90 FR 44191 (September 12, 2025), <https://www.federalregister.gov/documents/2025/09/12/2025-17593/agency-information-collection-activities-proposed-new-information-collection-survey-of-the-costs-of>.

⁵ 8 hours x 4,644 respondents.

15. Changes in Burden

Not applicable. The proposed survey would be a new collection.

16. Information Collection Planned for Statistical Purposes

Not applicable. The information collection would not be used for statistical purposes.

17. OMB Expiration Date Display Approval

The Commission is not seeking approval to not display the OMB approval expiration date.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This collection complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection would not involve statistical methods.